

MARY WEST  
MICHAEL SHEARN

IBLA 74-255

Decided September 5, 1974

Appeal from a decision by the Montana State Office, Bureau of Land Management, rejecting simultaneous oil and gas lease offer M-27374 (ND).

Affirmed.

Administrative Practice--Oil and Gas Leases: Applications: Generally--Oil and Gas Leases: Applications: Sole

Where an oil and gas lease offer filed on a drawing entry card in a simultaneous filing procedure contains the name of an additional party in interest and the statement of interest, copy or explanation of the agreement between the parties, and evidence of the qualifications of the additional party are not filed within the time required by 43 CFR 3102.7, the offer must be rejected.

APPEARANCES: Mary West, Michael Shearn, pro se.

OPINION BY ADMINISTRATIVE JUDGE HENRIQUES

Mary West and Michael Shearn appeal from a decision of the Montana State Office, Bureau of Land Management, dated February 27, 1974, rejecting drawing entry card oil and gas lease offer M-27374 (ND) for the reason that the statement of interest required to be signed by all parties in interest in the offer, showing the nature and extent of each party's interest and evidence of the qualifications of each party to hold a lease, had not been filed.

On January 28, 1974, appellant West filed a drawing entry card lease offer for Parcel No. 95 in the Montana Office Simultaneous Filing List. Her signature and address are entered on the front of the card

beneath a printed statement that the offeror has complied with the conditions applicable to an oil and gas lease offer. Included in such statement is a stipulation that "applicant is the sole party in interest in this offer and the lease if issued, or if not the sole party in interest, then the names and addresses of all other interested parties are set forth on the reverse hereof." On the reverse side of the card, under the heading "Other Parties in Interest," appears the signature of appellant Shearn, with his address and Social Security Number. At the bottom of the reverse side the following notice is conspicuously printed: "NOTE: Compliance must be made with the provisions of 43 CFR 3102." A subdivision under that subpart, 43 CFR 3102.7, in addition to requiring a statement by the offeror such as that printed on the drawing entry card, provides:

If there are other parties interested in the offer a separate statement must be signed by them and by the offeror, setting forth the nature and extent of the interest of each in the offer, the nature of the agreement between them if oral, and a copy of such agreement if written. All interested parties must furnish evidence of their qualifications to hold such lease interest. Such separate statement and written agreement, if any, must be filed not later than 15 days after the filing of the lease offer. \* \* \*

Appellant West's offer was the first drawn for Parcel No. 95; a lease could have issued in response thereto if the prescribed evidence of qualifications and statement of interest had been timely filed.

In their appeal appellants contend that: (1) the presence of Shearn's signature, address and Social Security Number on the reverse of the drawing entry card was sufficient to show that it was the intent of the parties to become co-lessees under the lease, with each holding a 50-percent interest, and obviated the necessity to file a separate statement of interest; (2) "[t]he fact Shearn properly signed on back of Green Card does not exclude his obligation to the requirements on the front of the card"; and (3) the drawing entry card used is ambiguous in that it does not provide room on the front for a partnership filing, a fact which the Bureau of Land Management recognized when it replaced the card with a new form.

We find that appellants' arguments are without merit. Shearn placed his name on the reverse side of the drawing entry card under the heading "Other Parties in Interest." Nothing on the card indicated that he was a co-offeror and potential co-lessee with Ms. West, nor that he subscribed to the certification signed by Ms. West. Absent such a showing on the card, the State Office properly assumed he was simply a "party in interest" within the ambit of 43 CFR 3102.7.

The words clearly printed on the reverse of the card below the signature of Shearn constituted adequate notice to appellants that they must comply with a regulation which requires more than simply the name, address and Social Security number of an additional party in interest in the offer. In any event, all persons dealing with the Government are presumed to have knowledge of duly promulgated regulations. 44 U.S.C. §§ 1507, 1510 (1970); Federal Crop Insurance Corp. v. Merrill, 332 U.S. 380, 384-85 (1974); Ross I. Gallen, 15 IBLA 86, 87 (1947). The regulation here applicable is a duly promulgated regulation. 35 F.R. 9679, June 13, 1970.

Rejection of a lease offer for failure to comply with the requirements of the cited regulation is mandatory. Ross I. Gallen, *supra*; W. D. Girand, 13 IBLA 112, 113 (1973); Hiroshi Mizoguchi, 4 IBLA 249, 250 (1972); Richard Hubbard, 2 IBLA 270, 272-73, 78 I.D. 170, 172 (1971). The Montana State Office therefore had no choice but to reject the lease offer filed by appellant West.

Accordingly, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision appealed from is affirmed.

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Douglas E. Henriques  
Administrative Judge

We concur:

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Joseph W. Goss  
Administrative Judge

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Martin Ritvo  
Administrative Judge

